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INTRODUCTION

Cedar Springs Public Schools (CSPS) entered into contract #BA-03-41002 with the Michigan Family Independence Agency (FIA) to provide a Before and After School Program (BA) for TANF eligible children in grades K-7. CSPS was to provide hands on learning activities including cooking, drama, sign language, unusual science experiments, woodworking, computer skills training, and photography. In addition they were required to provide parenting sessions on topics such as anger control, behavior management, study skills, and after school program curriculum issues. CSPS also was required to provide nutritional snacks at each meeting and transportation for children when necessary. The contract totaled \$170,397.82 and covered the period October 1, 2002 through June 30, 2003. CSPS was reimbursed for their actual costs of providing the program through submission of monthly billings to FIA.

SCOPE

The Office of Internal Audit performed an audit of Cedar Springs Public Schools to determine if the Agency's billings were accurate, allowable, and properly supported by the accounting records and supporting documentation in accordance with the terms of the contract. Our review covered the period October 1, 2002 through May 31, 2003. We also tested case files to determine if TANF forms were on file to document eligibility for the students who participated in the program.

EXECUTIVE SUMMARY

Based on our audit, we conclude that CSPS overbilled FIA \$1,724.32 as of May 31, 2003. The Communication, Supplies and Miscellaneous line items were overbilled and the Transportation expense was underbilled. The total amount billed through the period ending May 31, 2003 was \$154,866.25. The audited expenses at May 31, 2003 are \$153,141.93. Our report recommends the Field Services Administration (FSA) initiate

the process to recoup \$1,724.32 from CSPA for the contract year 2003, unless a budget amendment is approved. If approved, the amount to be recouped will be reduced to \$1,256.34.

Based on our review of revised CSPA TANF forms, we concluded that the forms had not been completed properly for the participants, and that the contractor served both TANF and Non-TANF eligible students.

CEDAR SPRINGS PUBLIC SCHOOLS' RESPONSE

Cedar Springs Public Schools did not respond to our draft report.

SUMMARY OF FINDINGS AND RECOMMENDATIONS

Transportation

1. CSPA charged \$2,118.94 to miscellaneous, although it should have been charged to transportation. This additional transportation charge will put this line item total over the amount allowable in the budget, by \$467.98. CSPA should charge expenses to the appropriate line items.

WE RECOMMEND FSA either allow CSPA to apply for a line item transfer for the \$467.98 they are over budget, or initiate the process to recoup \$467.98.

Communication

2. CSPA overbilled FIA \$456.34 because they billed FIA for communication expenses that were either not allowable per the terms of the contract budget or not supported by the CSPA accounting records.

Supplies

3. CSPA overbilled FIA \$800.00 for supplies expense because they billed FIA for supplies expenses that were either not allowable per the terms of the contract budget or not supported by the CSPA accounting records.

Miscellaneous

4. CSPA overbilled FIA \$2,118.94 for miscellaneous/recreational activities that should have been billed to the transportation line item. (See finding #1).

WE RECOMMEND the FSA initiate the process to recoup \$1,256.34 from Cedar Springs Public Schools if the line item transfer is allowed, or \$1,724.32 if the line item transfer is not allowed.

WE ALSO RECOMMEND that the FSA inform Cedar Spring Public Schools that they may only charge actual, allowable expenditures that are incurred for the Before and After School Program and supported by their accounting records to the Before and After contract.

Case File Review

5. We reviewed client case records to determine if the required TANF forms were on file. We selected a sample of 47 case records out of a population of 381 and found that the modified TANF form that CSPA used to determine eligibility did not have a space where CSPA certified, signed and dated that the student was eligible. Therefore CSPA was not documenting on the modified TANF form that they had determined that the child was eligible for services. According to the contract this certification needs to be completed by CSPA.

WE RECOMMEND FSA have CSPA include on their modified form an area for certifying eligibility for future contracts.